

HOUSE BILL REPORT

SHB 1216

As Amended by the Senate

Title: An act relating to eosinophilia gastrointestinal associated disorders.

Brief Description: Concerning sunrise review for a proposal to establish a mandated benefit of treatment of eosinophilia gastrointestinal associated disorders.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Habib, Clibborn, Jinkins, McCoy, Springer, Morrell, Goodman, Appleton, Tarleton, Ryu, Tharinger and Fey).

Brief History:

Committee Activity:

Health Care & Wellness: 2/1/13, 2/8/13 [DPS].

Floor Activity:

Passed House: 2/22/13, 90-6.

Senate Amended.

Passed Senate: 4/12/13, 46-0.

Brief Summary of Substitute Bill

- Requires the Department of Health to perform a sunrise review on a proposal to require health carriers to cover formulas necessary for the treatment of eosinophilia gastrointestinal associated disorders, regardless of delivery method.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Angel, Clibborn, Green, Harris, Manweller, Moeller, Morrell, Riccelli, Ross, Short, Tharinger and Van De Wege.

Staff: Jim Morishima (786-7191).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

I. Eosinophilia.

Eosinophils are a type of white blood cells that contain proteins designed to help the body fight infection. Eosinophilia is an abnormally high number of eosinophils in the blood or body tissues. In some cases, eosinophilia can lead to inflammation of the gastrointestinal tract or the esophagus. Treatments for eosinophilia include corticosteroids and amino acid-based elemental formulas.

II. Mandated Benefits under the Patient Protection and Affordable Care Act.

Beginning in 2014, the federal Patient Protection and Affordable Care Act (PPACA) will require most small group and individual health plans to offer a package of benefits known as the "essential health benefits." A state must defray the costs to consumers for state-mandated benefits that are not included in the state's essential health benefits package.

To determine the essential health benefits, federal law allows a state to choose a "benchmark" plan from a list of options and to supplement that plan to ensure it covers all of the essential health benefit categories specified in the PPACA. Washington has chosen the largest small group plan in the state as its benchmark, which means most of the state's existing benefit mandates are included in the state's essential health benefit package. The state may not change its benchmark until at least 2016, when the federal government will revisit its approach for designating the essential health benefits.

The Insurance Commissioner is required to submit to the Legislature a list of state-mandated health benefits, the enforcement of which would result in federally imposed costs to the state. The list must include the anticipated costs to the state of each benefit on the list. The Insurance Commissioner may enforce a benefit on the list only if funds are appropriated by the Legislature for that purpose.

III. Sunrise Reviews.

The Department of Health (DOH) performs "sunrise reviews" on proposals for new mandated insurance benefits when requested to do so by the Legislature. The DOH reviews proposals for new insurance mandates by weighing the benefits of the mandates against the costs, including the impact on the availability of insurance. When the DOH performs a sunrise review, the results must be reported back to the Legislature no later than 30 days prior to the start of the following legislative session.

Summary of Substitute Bill:

The DOH must conduct a sunrise review of the proposal to require health carriers to cover formulas necessary for the treatment of eosinophilia gastrointestinal associated disorders, regardless of delivery method. The DOH must report the results of the review no later than 30 days prior to the 2014 legislative session.

EFFECT OF SENATE AMENDMENT(S):

Requires health carriers to apply a timely appeals process to ensure medically necessary treatment is available. Requires expedited appeals to be completed when a delay in the appeal process could jeopardize the enrollee's life, health, or ability to regain maximum function.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Eosinophilia is a rare disease, but is becoming more common. Eosinophilia can cause inflammation of the gastrointestinal tract, vomiting, and pain. Formulas are a type of hypoallergenic medical food that is sometimes the only treatment for this disorder and can be very expensive. Many insurers cover these formulas when they are administered by feeding tube, but not when they are taken by mouth. This bill is a clarification of a phenylketonuria law that is already in place.

(Opposed) This bill should be sent to the DOH for sunrise review for a more thoughtful analysis of coverage gaps, alternatives, and solutions in order to avoid unintended consequences.

Persons Testifying: (In support) Senator Frockt; Dr. Kevin Doms, Allergy and Asthma Associates; and Catrion Colerick and Jeff Schwartz, EOS Moms and Pops Organizing Washington EGID Research.

(Opposed) Sydney Smith Zvara, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: None.